

20 September 54

MEMORANDUM TO: Colonel White

25X1A6a

SUBJECT : Loss of Funds in [REDACTED] - [REDACTED]

25X1A2g

25X1C2a

1. In handling this large volume of payments, we were forced to depend on [REDACTED] personnel for proper identification of payees and maintenance of security.

25X1C2a

2. The attached chart indicates the channel through which instructions and funds were passed to the [REDACTED].

3. This system was in effect for 3 years with no prior losses or discrepancies.

4. My personal feeling is that:

a. There was no carelessness or mishandling in this case.

b. The system established for controlling the [REDACTED] was probably as good as could be established under the operative conditions prevailing.

25X1C2a

c. The loss arose from "manfailure" and in cases such as this, it is not normally possible to determine in advance that an individual will abscond or defalcate.

5. Recommend that no action be taken by this Office.

6. I have returned the papers, with your approval, to Mr. Saunders.

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See Chrono

Original subject: Proj. [REDACTED]

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CONFIDENTIAL
~~SECRET~~

096	
[REDACTED]	
DATE: 20/11/78	BY: 029